



## IOWA FINANCE AUTHORITY

### WORKFORCE HOUSING LOAN PROGRAM GUIDELINES

#### **PROGRAM ELIGIBILITY**

The Iowa Finance Authority (IFA) will provide financial assistance in the form of a repayable loan to cities and counties that demonstrate a need for additional workforce rental housing for lowans as a result of employment growth within the local unit of government's jurisdictional boundaries. Only cities and counties in Iowa are eligible applicants for Workforce Housing Loan Program assistance. Highlights of the Workforce Housing Loan Program include:

- Applicants must provide a rental housing market analysis for the proposed project completed by an independent third-party that documents a housing shortage relative to demand, low vacancy rates and/or rising housing costs combined with low unemployment such that the:
  - City has a low annual average rental vacancy rate of five percent or less
  - Community has a low average unemployment rate and demonstrates the extent to which a low unemployment rate contributes to increased demand for workforce housing
- The maximum loan amount per applicant will be the lesser of \$1 million or \$50,000 per assisted unit.
- The Workforce Housing Loan cannot exceed 50 percent of the total project development budget.
- Workforce housing units shall not be age restricted and shall be limited to tenant households earning 140 percent or less of the statewide median income as published by HUD. The FY 2015 income limit is \$94,500 per household.
- Rents must be affordable to the targeted income population and commensurate with market conditions.
- The city in which the proposed workforce housing project will be located must have local building code enforcement, including inspections, or agree to state building code enforcement.
- The applicant must identify a specific project to be assisted with the loan funds and that project must be "ready to proceed" defined as a reasonable ability, as demonstrated in the application timeline, to expend at least 10 percent of the project's approved development budget within six months of loan award approval.
- The identified project in the application submission may not begin construction until on or after the date the IFA Board of Directors approves the Workforce Housing Loan Program award.



## ***COMPETITIVE AWARDS***

Applications for the Workforce Housing Loan Program funding round shall be submitted to IFA via email at WHLP@iowa.gov by the established deadline. IFA will award the loan funds on a competitive basis to projects receiving a higher number of points according to specified scoring criteria such as but not limited to the following:

- Cities less than 50,000 in population
- Lower per unit construction costs relative to other application submissions
- Greater amounts of local contributing financial effort
- Employer investment in the proposed workforce housing project
- Project location in a designated Home Base Iowa or an Iowa Great Places community
- Annual job growth during the past three years
- Iowa Economic Development Authority has made a High Quality Jobs Program award since July 1, 2012, to the community where the workforce housing will be developed
- Number of Fully Accessible or Type A rental housing units included in the proposed project
- County where the workforce housing will be developed has a low average unemployment rate

For specific scoring criteria, refer to the Workforce Housing Loan Program Scoring Guidelines document.

## ***TERMS OF ASSISTANCE***

Assistance under this program will be provided as a repayable loan to the city or county applicant. IFA's loan to the applicant will be made at a one percent rate of interest with a maximum term of 20 years. The applicant may in turn loan or grant the borrowed funds to a workforce housing developer or owner. Loan repayment must be backed by the full faith and credit of the applicant. The tenant income limitations of the Workforce Housing Loan Program and reasonable rents will apply to the assisted units for the greater of five years from the date of construction completion or the date upon which the loan is repaid to IFA in full.

## ***REPAID OR RECAPTURED FUNDS***

Any loan program funds repaid to or recaptured by the applicant must be either repaid to IFA or may be retained by the city or county to assist additional workforce housing development activities specified as eligible under the Workforce Housing Loan Program guidelines.

